USAC

Universal Service Administrative Company
High Cost & Low Income Division
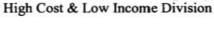
Karen M. Majcher
Vice President, High Cost & Low Income Division

September 30, 2005

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: 2006 Average Schedule Local Switching Support Formula, Docket No. 96-45

Dear Ms. Dortch:

Attached is the proposed *2006 Average Schedule Local Switching Support Formula*.
This filing is made in compliance with Section 54.301(f)(1) of the Commission's rules
(47 C.F.R. § 54.301(f)(1)), and contains the formula that USAC proposes to use to
calculate the calendar year 2006 local switching revenue requirement for average
schedule companies. The proposed formula will be in effect from January 1, 2006
through December 31, 2006.

In the past, the National Exchange Carrier Association (NECA) has submitted the
Average Schedule Local Switching Support Formula to the Commission for approval.
Beginning this year, USAC, as the administrator of the Universal Service Fund, is
submitting the proposed 2006 formula to the Commission for approval pursuant to
Section 54.301(f)(2) of the Commission's rules (47 C.F.R. § 54.301(f)(2)).

In accordance with Section 1.419 of the Commission's rules (47 C.F.R. § 1.419), this
proposed *2006 Average Schedule Local Switching Support Formula* has been filed
electronically in the above-referenced docket.

Sincerely,

Karen M. Majcher
Vice President, High Cost & Low Income Division

Attachment:

2006 Average Schedule Local Switching Support Formula

Support Payment   = Support Fraction x Central Office Formula (Local Switching Only).
               = Support Fraction x Basic Settlement x Access Line Factor.

Central Office Formula (Local Switching Only).

For Study Areas with Minutes Per Line Less Than or Equal to 391:
    Basic Settlement = ($0.018703 x Access Minutes) + ($223.11 x Exchanges).

For Study Areas with Minutes Per Line Greater than 391, but Less Than or Equal to 850:
    Basic Settlement = ($0.018703 x 391 x Access Lines) +
               ($0.008765 x [Access Minutes - (391 x Access Lines)] x High Volume
               Access Line Multiplier + ($223.11 x Exchanges).

For Study Areas with Minutes Per Line Greater than 850:
    Basic Settlement = ($0.018703 x 391 x Access Lines) +
               {$0.008765 x (850 - 391) x Access Lines +
                $0.000463 x [Access Minutes - (850 x Access Lines)]} x High Volume
               Access Line Multiplier + ($223.11 x Exchanges).

Access Line Factor.
For Study Areas with Access Lines Less than 10,000:
    Access Line Factor = 2.311591 - 0.0001311591 x Access Lines.

For Study Areas with Access Lines Greater than or Equal to 10,000:
    Access Line Factor = 1.0.

High Volume Access Line Multiplier = (550 / Access Lines).

Support Fractions

Normal Volume Study Areas - Access Minutes per Line Less than or Equal to 391:
0.761882	If Access Lines less than or equal to 10,000.
0.508442	If Access Lines greater than 10,000 and less than or equal to 20,000.
0.401331	If Access Lines greater than 20,000 and less than or equal to 50,000.
0.000000	If Access Lines greater than 50,000.

High Volume Study Areas - Access Minutes per Line Greater than 391:
0.713020	If Access Lines less than or equal to 10,000.
0.475834	If Access Lines greater than 10,000 and less than or equal to 20,000.
0.375592	If Access Lines greater than 20,000 and less than or equal to 50,000.
0.000000	If Access Lines greater than 50,000.